

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ABU DH 02197 150909Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 DODE-00 L-03 FS-01 ABF-01  
PA-01 SSO-00 NSCE-00 INRE-00 SP-02 AID-05 EB-08  
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 /091 W  
-----096191 150913Z /10

O P 150810Z AUG 78  
FM AMEMBASSY ABU DHABI  
TO SECSTATE WASHDC IMMEDIATE 8229  
INFO AMEMBASSY ATHENS PRIORITY  
USINT BAGHDAD PRIORITY  
AMEMBASSY CAIRO PRIORITY  
AMCONSUL DHAHRAN PRIORITY  
ADMBKTSSY DOHA PRIORITY 1133  
AMEMBASSY JIDDA PRIORITY  
AMEMBASSY KUWAIT PRIORITY  
AMEMBASSY LONDON PRIORITY  
AMEMBASSY MANAMA PRIORITY  
AMEMBASSY MUSCAT PRIORITY  
AMEMBASSY PARIS PRIORITY  
AMEMBASSY TEHRAN PRIORITY

LIMITED OFFICIAL USE ABU DHABI 2197  
PARIS FOR EMBASSY AND USOFFICE RFC AS PRIORITY INFO

E.O. 11652: N/A  
TAGS: EFIN, TC  
SUBJECT: UAE WIDENS MARGIN FOR DIRHAM

1. UAE CURRENCY BOARD CHAIRMAN ABD AL MALIK AL HAMR TOLD  
AMBASSADOR AUGUST 15 THAT CURRENCY BOARD IS ISSUING STATE-  
MENT SAME DAY ANNOUNCING THAT IT IS WIDENING BAND IN WHICH  
DIRHAM IS ALLOWED TO FLUCTUATE AGAINST THE SDR PARITY RATE FROM  
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PAGE 02 ABU DH 02197 150909Z

IRIS OR MINUS 2.25 PERCENT TO PLUS OR MINUS 7.25 PERCENT.  
SINCE DIRHAM PEGGED TO SDR EARLIER THIS YEAR, PARITY RATE HAS  
BEEN ONE SBJ EQUALS 4.7619 DIRHAMS. THIS WILL MEAN THAT  
DIRHAM/SDR BAND HAS BEEN WIDENED FROM 4.5 PERCENT TO 14.5  
PERCENT.

2. AL HAMR SAID DECISION TAKEN BECAUSE DIRHAM IS ALREADY

BEING TRADED AT 2.23 PERCENT OUTSIDE PREVIOUS IMF BAND;  
THAT WIDER BAND IS SAME NOW USED FOR SAUDI RIYAL, QATARI  
RIYAL AND BAHRAIN DINAR; AND THAT WIDER BAND WILL GIVE  
MORE FLEXIBILITY FOR TRADING AND FACILITATE DAY TO DAY  
OPERATIONS OF CURRENCY BOARD.

3. COMMENT: BY WIDENING BAND, UAE IS SEEKING RESIST REVALU-  
ATION OF DIRHAM AND AVOID CURRENCY BOARD INTERVENTION TO  
BRING DIRHAM BACK WITHIN OLD BAND. UAE CURRENCY BOARD ALSO  
BANKING ON EXPECTATION THAT DINAR WILL EVENTUALLY BEGIN  
APPRECIATE AGAIN.

DICKMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIRHAM, ECONOMIC PROGRAMS, CURRENCY CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ABUDH02197  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780333-0299  
**Format:** TEL  
**From:** ABU DHABI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780861/aaaabyve.tel  
**Line Count:** 74  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0b06f762-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1731985  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UAE WIDENS MARGIN FOR DIRHAM  
**TAGS:** EFIN, TC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0b06f762-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014